

### **REMARKS**

Claims 1-33 are pending in this Application. Claims 1-33 stand rejected under 35 U.S.C. § 112, ¶ 2 and under 35 U.S.C. § 103.

Claims 1, 5, 7, 10, 15, 16, 29, 30 and 33 have been amended to more clearly define Applicants' invention. New claims 34 and 35 have been added. Applicants respectfully request reconsideration of claims 1-33, and consideration of claims 34-35, in light of the following remarks.

#### **Rejection of Claims 1-33 Under 35 U.S.C. § 112, ¶2**

Claims 1-33 were rejected under 35 U.S.C. § 112, ¶ 2 for failing to particularly point out and distinctly claim the subject matter which the Applicants regard as their invention. The Office Action stated that the "key underlying assumptions in the derivation of the equations" are not delineated.

It is not clear to the Applicants what "equations" have not been adequately delineated. Accordingly, clarification is respectfully requested. However, Applicants note that certain claims have been amended to more clearly define the Applicants' invention. For example, claim 1 as amended recites, inter alia, receiving a proportional draw down amount associated with each of said plurality of buckets; assigning a proportional draw down relationship between said buckets based on said proportional draw down amounts associated with each said bucket; receiving a signal associated with a trade action; and recalculating said proportional draw down amount for each said bucket as a function of said trade amount, said trade tenor and said draw down relationship between said buckets. Applicants respectfully submit that, to the extent there

are any "equations" implied in the claim elements, they are clearly defined by the claims and are illustrated in the specification.

Accordingly, it is respectfully submitted that claims 1-33 (as amended) meet the requirements of 35 U.S.C. § 112, ¶ 2.

### **Rejection of Claims 1-33 under 35 U.S.C. § 103**

The Office Action rejected claims 1-33 under 35 U.S.C. § 103 as being obvious over U.S. Patent No. 6,014,627 to Togher et al. ("Togher"), in view of U.S. Patent No. 6,317,727 to May ("May") and further in view of U.S. Patent No. 5,136,501 to Silverman et al. ("Silverman").

As noted by the Applicants in their Background of the Invention (Specification, p.2, ll. 1-15), May describes three screening methods: (a) a binary method in which each entity makes a yes or no determination as to whether or not it will deal with each potential counterparty; (b) a line binary or time limit method in which each entity sets a maximum maturity of contracts for each potential counterparty; and (c) a "complex" method in which each entity specifies a maximum amount it will trade with each counterparty for one or more "maturity bands." (See May col. 23, l. 65 – col. 24, l. 33) Under the "complex" method the entity can specify the maximum exposure for each maturity band. (See May col. 24, ll. 34-44) For example, an entity could specify that for a given counterparty, it "will do up to \$100 million out for 5 years, and then only \$50 million out from thereafter out to 10 years, and nothing thereafter." (See May col. 24, ll. 42-44) However, the credit limits for each of the maturity bands under May's "complex" method are not related. Thus, for the above cited example from the May specification,

the parties could do the full \$100 million credit limit for the lower band (i.e. up to 5 years) without affecting the amount they could do (i.e. \$50 million) in the next band (*i.e.* over 5 years to 10 years).

In contrast, the present invention allows an entity to relate draw downs or credit limits for various sets of tenors or "buckets." This allows the entity to more accurately control its risk allocation with the other party. For example, amended claim 1 recites, inter alia, "receiving a proportional draw down amount associated with each of said plurality of buckets;" "assigning a proportional draw down relationship between said buckets based on said proportional draw down amounts associated with each said bucket;" "receiving a signal associated with a trade action," and "recalculating said proportional draw down amount for each said bucket as a function of said trade amount...."

Neither May, nor Tougher, nor Silverman teach or disclose any method or system for relating draw downs or credit limits between buckets as required by each of the independent claims (claims 1, 29, 30 and 33). Accordingly, independent claims 1, 29, 30 and 33 are believed patentable over the prior art of record.

Claims 2-28, 34 and 35 depend directly or indirectly from claim 1, and claims 31 and 32 depend from claim 30, and are therefore believed patentable, inter alia, by virtue of such dependency.

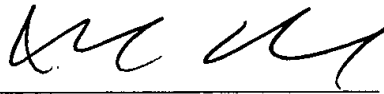
## **SUMMARY**

Applicants have submitted arguments to overcome the Office Action's rejections. In view of the forgoing supporting remarks, Applicants respectfully request allowance of claims 1-35.

If the Examiner wishes to direct any questions concerning this application to the undersigned Applicants' representative, please call the number indicated below.

Dated: April 10, 2003

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'AS', is written over a horizontal line.

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